Department of Health & Human Services Centers for Medicare & Medicaid Services 233 North Michigan Avenue, Suite 600 Chicago, Illinois 60601-5519



November 3, 2006

Jeanne M. LaBrecque, Health Policy Director Office of Medicaid Policy and Planning Indiana Family & Social Services Administration 402 W. Washington Street, Room W382 Indianapolis, Indiana 46204

Dear Ms. LaBrecque:

I am pleased to inform you that your request to amend Indiana's Medicaid Home and Community-Based Services (HCBS) Waiver for aged and disabled individuals as authorized under section 1915 (c) of the Social Security Act has been approved. The waiver amendment has been assigned CMS Control # 0210.90.R2.03 and should be used in any subsequent correspondence.

Specifically, you requested that Indiana be permitted to phase-in an additional 3,500 individuals in waiver years four and five. The additional increase in slots allows the transfer of the children who were served under the medically fragile children's waiver (MFC) and the transfer of the assisted living (AL) waiver consumers. The MFC waiver expired on June 30, 2006, which Indiana opted not to renew, and Indiana anticipates terminating the assisted living (AL) waiver in January 2007. Indiana is also requesting for a waiver of section 1902 (a)(10)(B) of the Social Security Act to impose additional targeting criteria to allow for prioritization of slots for waiver applicants. Additionally, Indiana is also requesting to amend Appendix C, the post eligibility section, to allow coverage of the special income level for the institutionalized and their community spouses.

Based on the assurances and the additional information you provided on October 3, 2006, I approve this amendment effective July 1, 2006 as requested. This approval is subject to your agreement to provide HCBS to no more than those indicated as the C value in your approved per capita expenditure estimates.

We appreciate the cooperation provided by you and your staff during our review of your request. Please contact Bertha Ortiz, of my staff, at (312)353-9860 with any questions related to this approval.

Sincerely,

/s/

Verlon Johnson Associate Regional Administrator Division of Medicaid and Children's Health Department of Health & Human Services Centers for Medicare & Medicaid Services 233 North Michigan Avenue, Suite 600 Chicago, Illinois 60601-5519 CANTERS for MEDICARE & MEDICAID SERVICES

cc: Pat Casanova, OMPP April Forsythe, CMSO